ing of how the third party recipient of funds has spent the money accessible to them. This would be in the form of a statement issued daily, weekly, monthly, and the like, detailing cash withdrawals and debit card transfers. This is also performed by essentially routine simple means ranging from e-mail to desktop publishing, or as complex as the systems employed by banking and credit institution for generating periodic statements for conventional accounts. Such means are very well known and require no description here.

[0048] As noted above, it is not necessary that the system of the present invention employ magnetically encoded cards to provide system access to account holders and third party recipients. Instead, access to the system may be obtained through the entry of the requisite information by way of a manual input device, such as a keyboard, that is in communication with the system, for example, through the internet. The information may be entered directly by the account holder or third party recipient or on their behalf by an employee of the system operator or fund transfer payee.

[0049] However, the use of magnetic cards encoded with account information is particularly preferred for the sake of convenience. The cards also eliminate the need for the system operator to hire employees to receive and enter information that would be submitted directly to the system by the account holder or third party recipient. In other words, it is more economical for a bank to permit a third party recipient to access cash via an ATM, rather than require the recipient to present themselves to a bank teller. Magnetic cards issued to third party recipients will be encoded with an identifier correlated to the secondary file of the preestablished account. The encoding of information fields on the magnetic stripe of a magnetic card is well known and essentially conventional and also need not be described here.

[0050] Turning to FIG. **2**, there is illustrated in block diagram form the computer-based method of the present invention, that shall be discussed with reference to the system depicted in FIG. **1**. Typically the computer processor **12** creates in memory device **14** associated therewith customer account file **30** containing a record of funds deposited by the account holder. The account holder inputs command instructions **32** into input device **16**, typically a computer terminal or work station, which are transmitted by telephone lines **15** to computer processor **12** to establish a secondary file in the customer account. The account customer then inputs command instructions **34**, usually contemporaneously with the establishment of the secondary file using the same input device, to designate a third party recipient permitted access to the secondary file. Alternatively, the third party recipient can be designated at a later time from the same or different input device.

[0051] The account customer then inputs command instructions **36** to transfer to the secondary file at least a portion of the record of funds contained in the primary file representing deposited funds accessible to the third party recipient. Again, this is usually done contemporaneously with the establishment of the secondary file and the designation of a third party recipient using the same input device. However, this step can also be performed at a later time from the same or different input device.

[0052] In the embodiment illustrated in FIG. **2**, the account customer inputs command instructions **38** to designate payees of funds to be withdrawn by the third party recipient subject to a limit on the amount of funds that may be withdrawn. Again, this may be done contemporaneously with the establishment of the secondary file, the designation of the third party recipient and the transfer of funds from the primary file using the same input device, or this step may be performed at a different time using the same or different input device.

[0053] The computer processor **12** then verifies each withdrawal from the secondary file requested by the third party recipient **40** to determine whether it is subject to a limit in the amount of the transaction, and whether that limit has been exceeded. At the same time, the computer processor verifies that there are funds available in the secondary file to complete the transaction (not shown). The computer processor **12** sends a disapproval signal **42** if there is a transaction limit that has been exceeded, or an approval signal **44** if there is no transaction limit or if there is a transaction limit that has not been exceeded, along telephone lines **17** to output device **18**. The approval or disapproval signal is also conditioned on the availability of funds in the secondary file (not shown). Typically output device **18** is part of a computer terminal or workstation that also includes an input device (not shown) through which third party recipients input electronic fund transfer requests.

[0054] The computer processor **12** also stores in memory device **14** associated therewith a file record of information **46** on each selected payee of funds and corresponding payment amounts. Periodically, the computer processor **12** provides to the account holder **48** the file record of information on fund payees and corresponding payment amounts in the form of an itemized statement generated by output device **20**, typically a high volume printer.

[0055] The controlled spending accounts of U.S. Pat. No. 6,044,360 can be established allocating a certain amount a child or other fund recipient can spend per week or per month on entertainment. In the context of entertainment supplied over the internet, this would include music files, music video files, movie files or video game files. The amount set by the parent or other fund provider can be a fixed amount corresponding to a predetermined number of file transfers for entertainment providers that charge per file transfer, or it can all or part of a subscription fee for entertainment providers that charge a flat rate periodic subscription fee.

[0056] The entertainment need not be derived from the internet. The present invention may also be used with other pay-per-use services, such as pay-per-view movies and music videos or pay-per-use video games offered by cable television providers. Because digital cable television transmission is not universal, the invention is applicable as well to non-digital forms of entertainment.

[0057] The entertainment need not even be derived from a remote transmission. The invention is applicable as well to retail outlets such as establishments that rent or sell video taped and digital movies, music videos and video games, or music in the form of compact discs, analog or digital audio tapes, and the like. Store accounts funded periodically by parents or other fund providers can be established in which the parent or fund provider can control the content of the movie, music, music video or video game that their child/fund recipient is able to purchase or rent.

[0058] The parental controls of U.S. Pat. No. 6,044,360 can thus be set to prevent access to entertainment that a